

EM Equities Have Been Underperforming DM Equities Since 2010



The MSCI Emerging Markets Relative to the MSCI World; Jan. 2009 - Jan. 2014

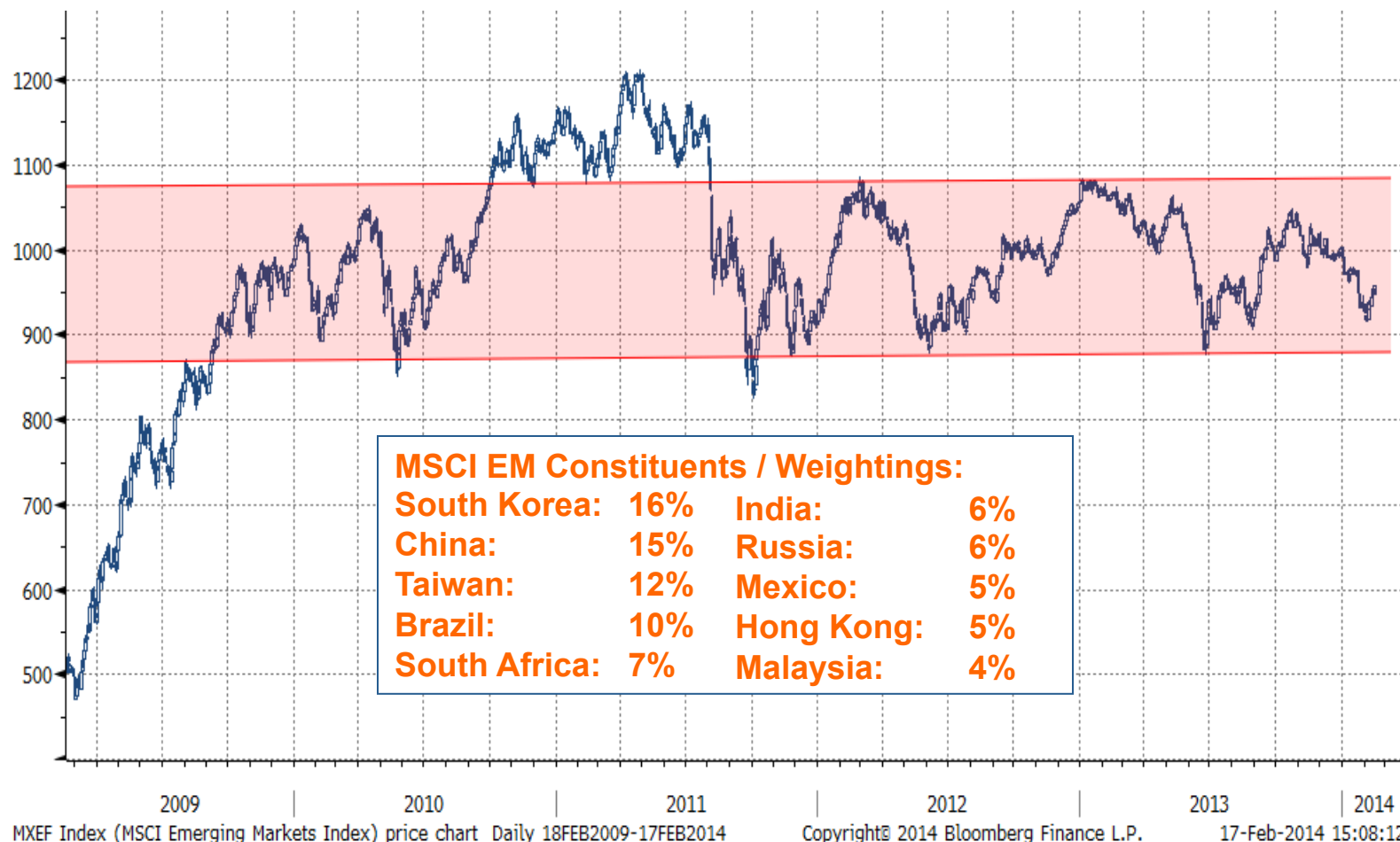


ItaúPrivateBank
International

EM Equities, in General Have Moved Sideways Since 2010

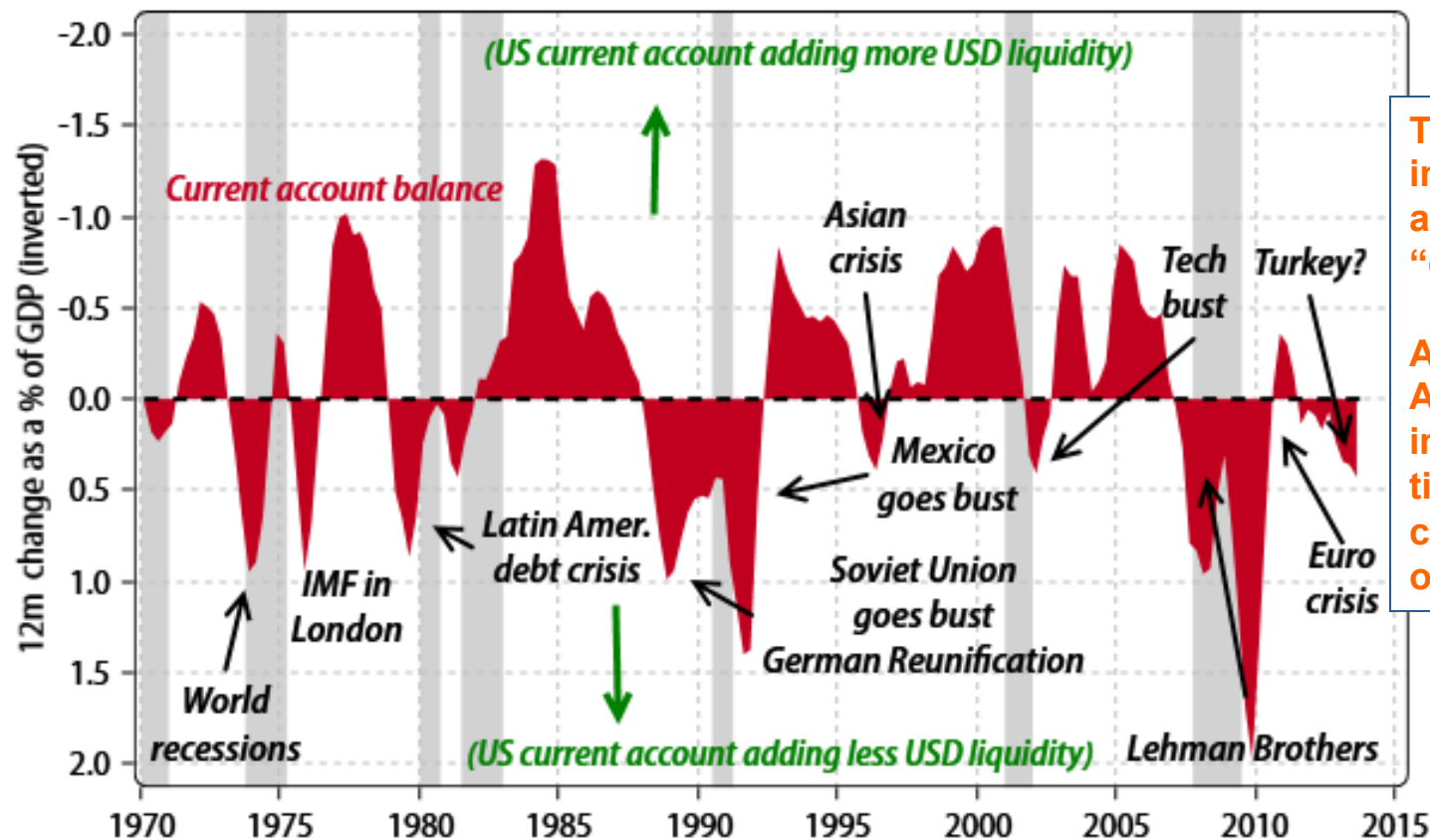


The MSCI Emerging Markets; January 2009 - January 2014



Recent EM Volatility Has Been Partially the Result of US Economic Activity and Monetary Policy

12 Month Percentage Change in US Current Account Balance as a % of GDP; 1970-2014



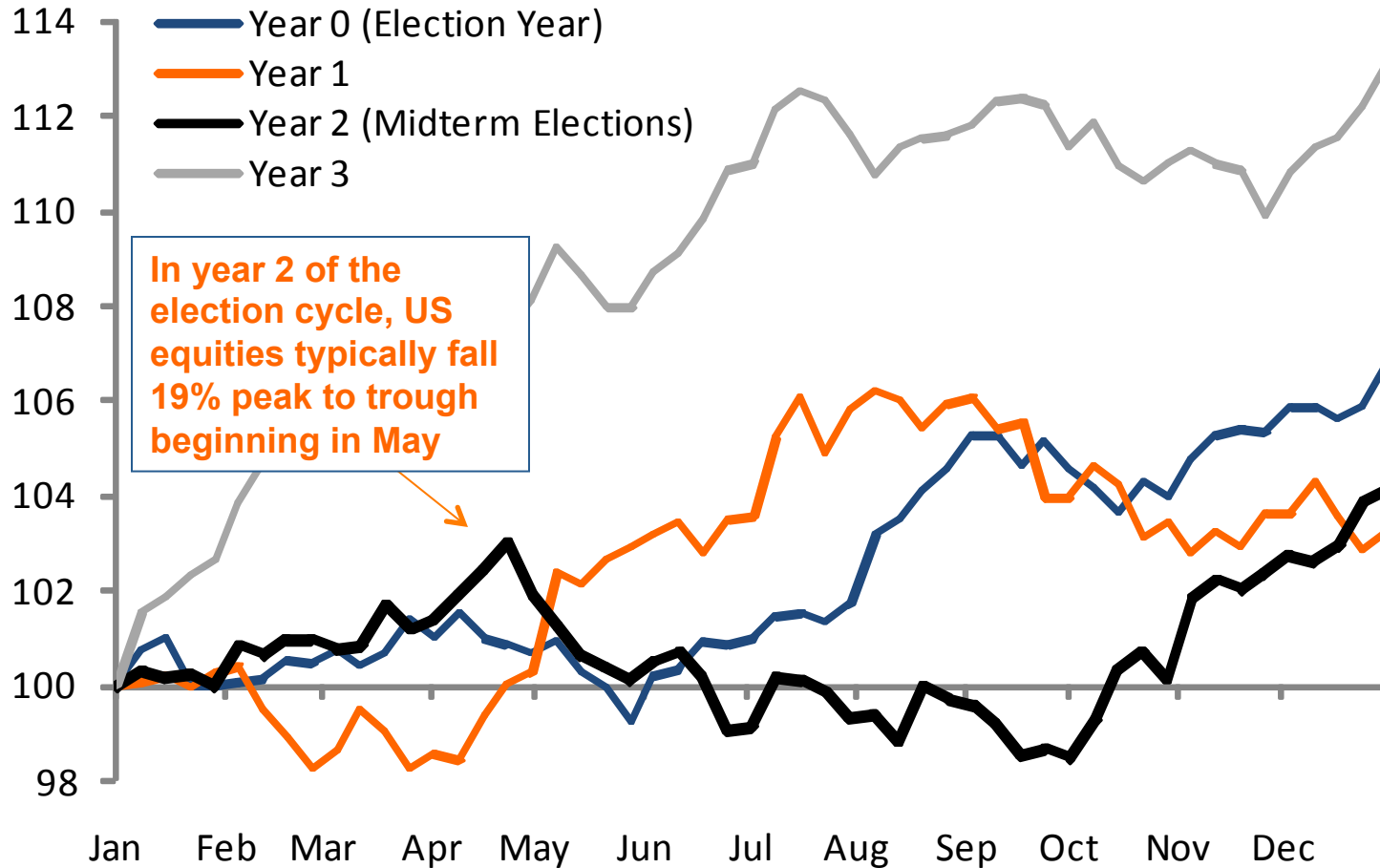
The Contagion began in the US and Europe as – growth was “different this time.”

As the US Current Account balance has improved, this has tightened liquidity conditions in the rest of the world.

Was the Volatility in January “it” or a Forewarning of Greater Turbulence Later in 2014?



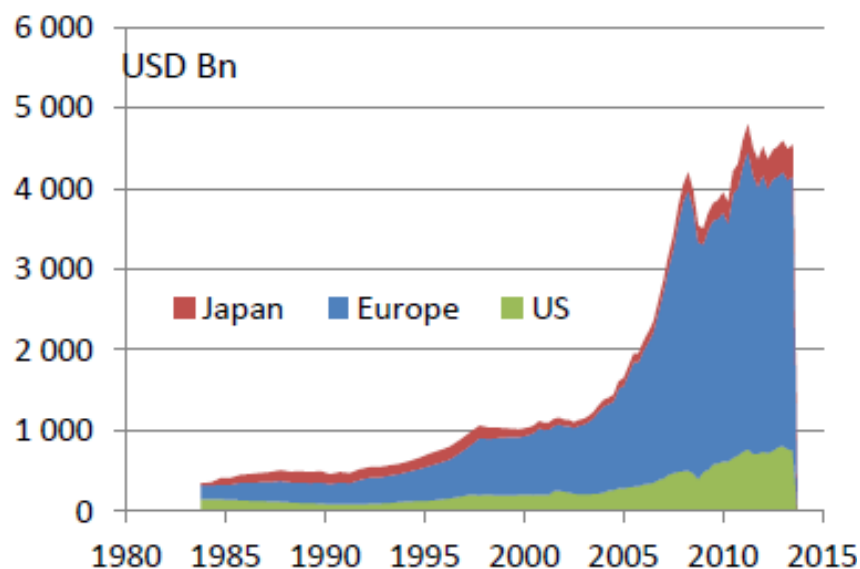
Average US Market Performance Based on Presidential Years; 1962 - 2010



DM Banks' Exposure to EM has Quadrupled Since the 1997 – 1998 Crisis

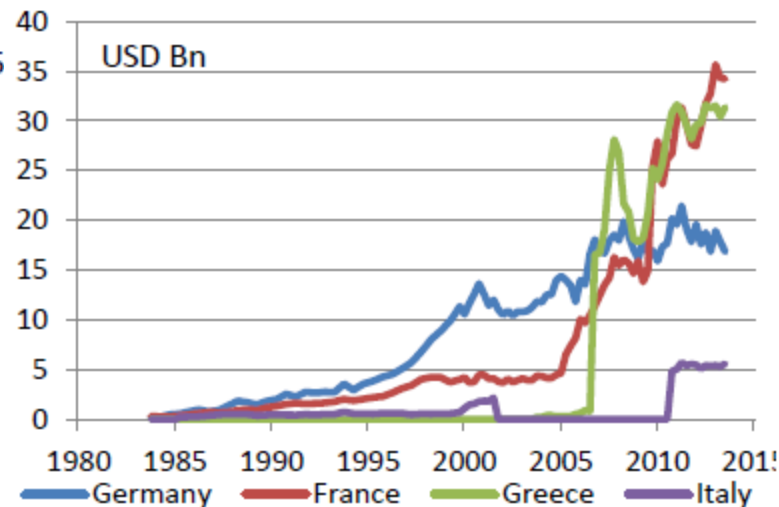


DM Banks' Exposure to EM; Europe Bank Exposure to Turkey 1980 - 2014



While EM Sovereigns have not taken on excessive non-local debt, EM corporates have dramatically increased borrowing from DM banks

French bank exposure to Turkey has grow \$5 billion to \$35 billion over the last 10 years

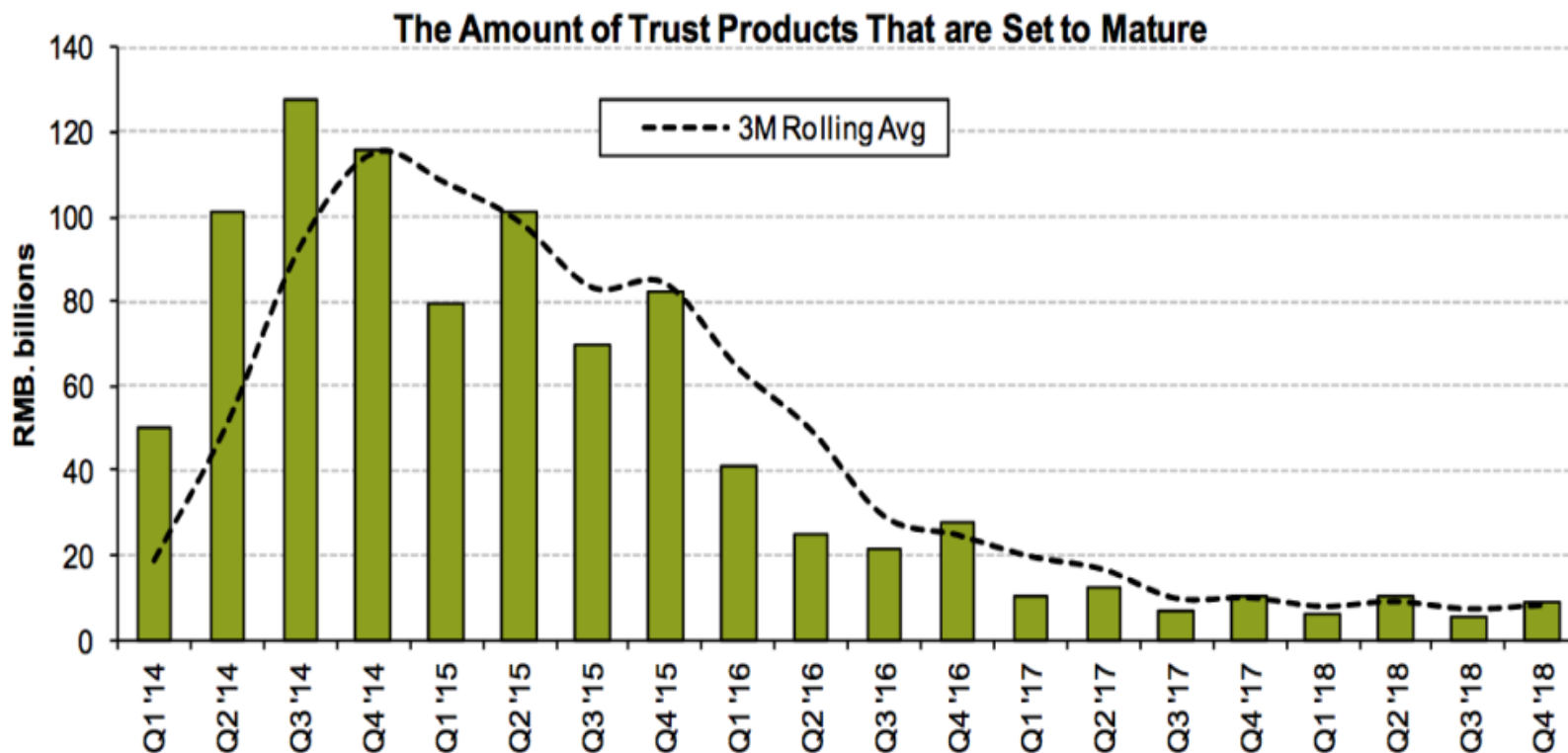


Itaú Private Bank International

80% of Chinese Trust Products – Off Balance Sheet Lending – will Mature in the Next Two Years



Amount of Chinese Trust Products Set to Mature; 2014 – 2018



Source: WIND, Bernstein Analysis

Disclaimer



This document has been prepared by Banco Itaú International or one of its affiliates (the “Bank”). The document contains information obtained from sources considered reliable by the Bank, and reproduced in whole or in part and in original or modified form. The Bank does not guarantee that such information is current and has no obligation to update such information in the future. The information contained in the document should not by itself constitute grounds for any investment decision. The investor should independently confirm the information contained herein and investigate the advisability of any investment before making it. The Bank reserves the right to amend or delete any part of the information herein without prior notice. The Bank has no obligation to follow the evolution of the security or to deliver additional information with respect thereto. Neither the information nor any opinion expressed herein constitutes an offer or invitation to buy or sell any securities or investment products.

This document does not provide individually tailored investment, legal or tax advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The Bank recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial advisor. The appropriateness of a particular investment or strategy will depend on an investor’s individual circumstances and objectives. The securities, instruments, or strategies discussed herein may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them.

The financial markets are subject to sudden and large variations, and securities, investments, instruments and other financial products (“Investments”) may rapidly and in unforeseeable ways lose all or a substantial portion of their value. Certain Investments, such as derivatives, involve major risks and may generate losses exceeding the amount invested. Past performance is no guarantee of future results.

Estimates of future results may not be realized. The Bank holds interests in many Investments and may therefore directly or indirectly hold interests in Investments described herein. Such Investments may be issued by entities for which the Bank is or has been a promoter, underwriter, market maker, lender, or agent, or of which it is or has been a director or shareholder.

This document and any information provided in connection herewith are strictly confidential and may not be reproduced, redistributed or the contents hereof or thereof communicated to any third person, without the express written consent of the Bank. Neither the Bank nor any of its officers, employees or agents shall be liable for the representations herein.